

Message Text

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ACTION IO-14

INFO OCT-01 SS-15 ISO-00 L-03 AF-10 ARA-10 EA-10
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E.O. 11652: N/A
TAGS: UNDP, EAID, SW
SUBJECT: UNDP GOVERNING COUNCIL: AGENDA ITEM 17, SWEDISH
FUNDING PROPOSAL

REF: (A) STATE 152536; (B) GENEVA 9310

1. SWEDISH DELEGATION, IN SPITE OF EFFORTS BY OTHER
DELEGATIONS TO SLOW DOWN ITS INITIATIVE, FORMALLY INTRO-
DUCED TO THE BUDGET AND FINANCE COMMITTEE, CONFERENCE
ROOM PAPER 6 AFTERNOON JUNE 19. THIS IS CLEARLY SWEDEN'S
MOST IMPORTANT INITIATIVE IN THIS SESSION OF THE GOVERNING
COUNCIL. IN INTRODUCING DOCUMENT (REF B) SWEDISH DELEGA-
TION STATED IT BELIEVED ITS PROPOSAL WOULD PROMOTE ADDI-
TIONAL FUNDING FOR UNDP. AFTER EXPLAINING PROPOSAL IN
DETAIL THEY STATED PLEDGING CONFERENCE SHOULD BE HELD
ON ANNUAL BASIS WITH A ROLLING 3-YEAR PLEDGE. THEY
STRESSED THEIR PREFERENCE WAS FOR "SHARING OF EFFORTS"
NEEDED TO REACH AGREED LEVELS. IN CORRIDOR DISCUSSION
SWEDES SAID THAT U.S. SHARE SHOULD BE 19 PERCENT.

2. INDIA AS NEXT SPEAKER THANKED SWEDEN FOR ITS INITIA-
TIVE AND FULLY SUPPORTED THE IDEA OF MULTI-YEAR PLEDGING
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AND BURDEN SHARING. THEY THEN PROPOSED THAT GOVERNMENTS
SHOULD CONSIDER 5-YEAR PLEDGES RATHER THAN 3-YEAR PLEDGES.

3. CANADA STRONGLY ATTACKED ENTIRE SWEDISH INITIATIVE
WHILE CLAIMING THEY HAD AN "OPEN MIND" TO PROBLEM. THEIR
FIRST DIFFICULTY WAS WITH THE SWEDISH ASSUMPTION THAT
THERE WAS A "NEED" FOR STABLE, PREDICTABLE FINANCING ON A

MULTI-YEAR BASIS. CANADIANS ARGUED THAT UNDP'S 1975 CRISIS WAS NOT OVER LACK OF FUNDS BUT DUE RATHER TO POOR MANAGEMENT AND GAVE DETAILS TO SUPPORT THIS THESIS. THEY ARGUED THAT SECOND CYCLE GROWTH RATE WAS DIFFERENT FROM FUNDING GROWTH RATE. CLEARLY 14 PERCENT GROWTH WAS NOT ACHIEVABLE UNLESS NEW DONORS APPEARED ON THE SCENE AND NEITHER MULTI-YEAR PLEDGES NOR BURDEN SHARING WOULD SOLVE THIS ISSUE.

4. DUTCH, DANISH AND FINNISH DELEGATIONS SUPPORTED SWEDISH PROPOSAL.

5. PAKISTAN THOUGHT THE SWEDISH IDEA INTERESTING BUT SAID THAT 3-YEAR BURDEN SHARING APPROACH SHOULD BE ON A VOLUNTARY BASIS. EACH COUNTRY SHOULD DO WHAT IT FELT IT COULD BEST AFFORD. HIS DELEGATION WOULD WELCOME PLEDGES FOR 1, 2, 3 OR 5 YEARS, WHATEVER EACH GOVERNMENT FELT IT COULD DO.

6. SIERRA LEONE, BURUNDI AND NORWAY ALSO SUPPORTED THE SWEDES.

7. THE FEDERAL REPUBLIC OF GERMANY, FRANCE AND ITALY SUPPORTED THE CANADIAN APPROACH WITH THE FED REP DEPLORING THE FACT THAT THE VOLUNTARY NATURE OF UNDP FUNDING WAS BEING CHALLENGED AND THAT THE CONSENSUS (1970) WAS BEING LIMITED OFFICIAL USE

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VIOLATED.

8. US DEL IN MAKING PRELIMINARY COMMENTS SUPPORTED CANADIAN AND FED REP POSITION AND STATED U.S. WAS NOT CONVINCED OF THE "NEED" FOR CHANGE AS EXPRESSED IN THE SWEDISH PROPOSAL. MULTI-YEAR PLEDGING AND BURDEN SHARING WERE TWO TOTALLY DIFFERENT CONCEPTS AND WERE UNFORTUNATELY INTERWOVEN INTO ONE PAPER BY THE SWEDES. THE U.S. IS IN THE FOREFRONT OF THOSE COUNTRIES SUPPORTING UNDP AND ITS CAUTIOUS APPROACH TO SWEDISH PROPOSAL SHOULD IN NO WAY BE CONSTRUED AS LACK OF SUPPORT FOR UNDP.

9. SEVERAL DELEGATIONS ALSO POINTED OUT THAT THE SWEDISH PROPOSAL WAS A BASIC POLITICAL ISSUE TOUCHING ON THE VERY FOUNDATION OF THE UNDP AND THEREFORE SHOULD BE DISCUSSED IN PLENARY.

10. SOVIETS WERE THE LAST SPEAKER AND STATED WHAT WAS REALLY NEEDED BY UNDP WAS BETTER MANAGEMENT AND BETTER PLANNING. THEY FELT SWEDISH PROPOSAL PRESENTED MANY DIFFICULT PROBLEMS AND INVOLVED THE SOVEREIGN RIGHT OF THE STATES AFFECTED. THEY WERE OPPOSED TO ANY DECISION

ON THIS SUBJECT AT THIS MEETING.

11. INFORMAL CONSULTATIONS WILL TAKE PLACE AFTERNOON
JUNE 20 AND B & F DEBATE WILL CONTINUE LATER IN WEEK.
US DEL DOES NOT EXPECT ANY FORMAL APPROVAL OF SWEDISH
PROPOSAL AT THIS SESSION GOVERNING COUNCIL, BUT SEEDS
HAVE BEEN PLANTED THROUGH SWEDISH INITIATIVE.
VANDEN HEUVEL

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